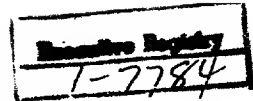


CONFIDENTIAL

1 May 1951



MEMORANDUM TO: Deputy Director/Administration
 FROM : Personnel Director
 SUBJECT : CIA Exemption from the Performance Rating Act

1. The Performance Rating Act of 1950 (PL 873, 81st Congress) abolishes the uniform efficiency rating system and provides for agency-developed performance-rating plans subject to approval and continuous review of the Civil Service Commission. It is recommended that exemption from this Act be sought for the reasons outlined below.
2. Preliminary efforts to develop a plan disclosed conflicts in connection with appeals and inspection requirements and security obligations of the Agency. Appeals cases present problems in the appointment of a Commission representative as Board chairman, in the freedom of the appellant to designate his own representative, and in the unrestricted presentation of evidence which would probably include work samples. Inspection includes not only examination of records but also employee interviews by Commission representatives relative to their understanding of the plan and standards. The opportunities for security violations are obvious.
3. Discussion of these problems with the General Counsel resulted in a recommendation that efforts be made to reconcile conflicts at a Commission level prior to seeking exemption. Personnel Office representatives have consulted with the Commission's Chief of Performance Ratings. He seemed to incline to the view that consideration of appeals problems was academic and appeared to suggest that there would be administrative means available to a security agency for discouraging or eliminating such appeals. He could suggest no alternative to fulfilling the legal requirements for inspection by the Commission.
4. Inasmuch as it has not been possible to reach any mutually satisfactory compromise on these problems, it is the recommendation of this office that exemption of CIA from PL 873 be obtained and that the Personnel Office take immediate steps to develop a program of performance evaluation consistent with the objectives of that legislation.

WILLIAM J. KELLY

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